

1057-12/12/63
**Federal Job
 Reduction
 Is Ordered**

**Cut Paper Work,
 Staffs, President
 Tells His Cabinet**

By Carroll Kilpatrick
 Staff Reporter

President Johnson yesterday pressed his economy program another step forward by ordering his Cabinet to hold Federal employment in fiscal year 1965 below the levels of 1963 and 1964.

Demanding better management practices, the President said "nine out of 10 Government employees do a full day's work for a day's pay—but I want the tenth man to measure up also."

The President's statement to his Cabinet on Federal employment was made public at

Johnson tells Pentagon officers U.S. must press fight against Reds in South Viet-Nam and the Caribbean. Page A6.

House Republican attempt to dislodge rights bill balked. Page A21.

the end of the Cabinet session, the second Mr. Johnson has held.

He told the Cabinet to:

- Cut out excessive paper work because it breeds over-staffing.
- Measure workloads carefully.
- Strip down overly elaborate organizations.

"In short," the President said, "I want you to give as much attention to management as you do to your programs."

"For fiscal year 1965, the Budget Director must have your full support in carrying out my directive to hold down Government employment," the President said.

"The 1965 budget total for year-end civilian employment must be held below the levels in the 1964 and 1963 budgets. This can be done."

Mr. Johnson said he wanted agency employment held "at or below the personnel targets established in response to President Kennedy's statement to the cabinet of Sept. 23, 1963."

Slight Growth Noted

The President said he intended to disapprove any budget request for more personnel "except where the facts leave me no choice."

"This means that I will grant increases only when they are absolutely necessary to meet fixed commitments, to properly carry out new legislation, and to do work of the highest national priority," he said.

The President noted that regular Federal civilian employment grew by only 639

in Oct. 31, 1963. If it had followed the trend of state and

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local employment, he said, the increase would have amounted to 106,000.

White House Press Secretary Pierre Salinger said Secretary of State Dean Rusk reviewed the international situation for the Cabinet and that Secretary of Defense Robert S. McNamara gave an evaluation of the American and Soviet nuclear forces.

Adlai E. Stevenson, Ambassador to the United Nations, with whom the President breakfasted, gave the Cabinet a report on U. N. problems.

Concerned About Jobs

Walter W. Heller, chairman of the Council of Economic Advisers, told the Cabinet that the economy was moving ahead steadily and in a month or two would cross the \$600-billion gross national product mark.

Heller expressed concern over the 5.9 per cent unemployment rate for November, which he said shows again the importance of early action on the tax bill to take the slack out of the economy.

Heller reported that with early passage of the tax-cut bill the advance of the gross national product in 1964 over 1963 would be about 25 per cent greater than the comparable advance in 1963 over 1962.

According to Heller, President Johnson's firm direction of the Government removed business uncertainty following the death of President Kennedy.

In 1963 the gross national product is expected to be between \$583 and \$585 billion. Based on the annual rate it is expected to reach \$600 billion soon, Heller said.